

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

vs.

PAUL F. KEMPF,
ANITA M. GUST,

Defendants.

CR-10-6026-RHW

INDICTMENT

Vio: 18 U.S.C. §§ 371, 1343
and 2 Conspiracy to
Commit Wire Fraud
(Count 1)

18 U.S.C. §§ 1343 and 2
Wire Fraud
(Counts 2-7)

Notice of Forfeiture
Allegations

The Grand Jury Charges:

THE DEFENDANTS AND THEIR BUSINESSES

At all times material to the Indictment:

1. Defendant PAUL F. KEMPF was employed by government contractors Fluor Hanford (FH) and, later, CH2M Hill Hanford Group (CHG) as the Operations Manager for the 222S Laboratory at the U.S. Department of Energy (DOE) Hanford Site.

2. FH and then CHG both issued credit cards (known as purchase cards or P-cards), to PAUL F. KEMPF to facilitate the purchase of laboratory supplies needed for operations at the 222S Laboratory.

INDICTMENT - 1

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1 3. FH and CHG purchase cards were issued by JP Morgan Chase bank
2 which established a credit purchase procedure with FH and CHG whereby the
3 bank would draw down by draft or electronic funds transfer (EFT) from a line of
4 credit that the U.S. Treasury had established with U.S. Bank for DOE expenses .
5 JP Morgan Chase used wire communications to draw from the DOE's U.S. Bank
6 line of credit once a month to reimburse the purchase card expenses FH and CHG
7 accumulated each month.

8 4. Defendant ANITA M. GUST owned and operated a company known
9 as AMG Marketing (AMG) based in her home located in West Richland,
10 Washington.

11 5. Defendants PAUL F. KEMPF and ANITA M. GUST were married
12 and/or resided together in the same home from which ANITA M. GUST operated
13 AMG Marketing in West Richland, Washington.

14 6. Between September 1, 2000, and September 30, 2005, AMG was
15 designated by FH and CHG as an authorized vendor of laboratory supplies to the
16 222S Hanford Laboratory and AMG did provide some laboratory supplies to the
17 222S Hanford Laboratory during this time period.

18 7. From on or about September 1, 2000, and continuing to on or about
19 September 30, 2005, defendant PAUL F. KEMPF caused FH and CHG to make
20 approximately 155 purchase card transactions with ANITA M. GUST under the
21 guise of laboratory supply purchases from AMG and totaling approximately
22 \$487,000.

23 THE SCHEME TO DEFRAUD

24 8. Beginning on a date unknown to the Grand Jury, but not later than on
25 or about September 1, 2000, and continuing until on or about September 30, 2005,
26 in the Eastern District of Washington and elsewhere, PAUL F. KEMPF and

27 INDICTMENT - 2

1 ANITA M. GUST, and other persons unknown to the Grand Jury, devised and
2 intended to devise a scheme and artifice to defraud and to obtain money by means
3 of false and fraudulent pretenses and representations involving purported sales of
4 laboratory products by AMG Marketing to the DOE's 222S Laboratory through
5 the fraudulent use of the purchase card of PAUL F. KEMPF issued to him as an
6 employee of FH and CHG.

7 9. It was further a part of the scheme and artifice to defraud that PAUL
8 F. KEMPF and ANITA M. GUST used the purchase card provided to PAUL F.
9 KEMPF as an employee of FH and CHG to embezzle funds, approximately
10 \$487,000, from his employers' lines of credit with the DOE and deposit those
11 embezzled funds in the Defendants' personal accounts and the AMG business
12 accounts to pay personal debts and for other personal pecuniary gain.

13 10. It was further a part of the scheme and artifice to defraud that PAUL
14 F. KEMPF and ANITA M. GUST attempted to conceal and disguise their scheme
15 to embezzle by creating fraudulent invoices to make it appear as if FH and CHG
16 actually received laboratory supplies from AMG, when, in fact, no such supplies
17 were delivered.

18 COUNT 1

19 18 U.S.C. § 371

20 Conspiracy to Commit Wire Fraud

21 11. Paragraphs 1 through 10 are incorporated into Count One by this
22 reference. From on or about September 1, 2000, and continuing until on or about
23 September 30, 2005, in the Eastern District of Washington and elsewhere, the
24 Defendants, PAUL F. KEMPF and ANITA M. GUST, and other persons unknown
25
26

27 INDICTMENT - 3

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1 to the grand jury, did knowingly and willfully conspire together and with each
2 other to commit Wire Fraud against the United States, in violation of 18 U.S.C. §
3 1343.

4 12. It was part of the conspiracy that the Defendants, PAUL F. KEMPF
5 and ANITA M. GUST, communicated in person to devise a scheme in which the
6 interstate wires were used to defraud the United States in order to obtain money
7 (approximately \$487,000) from its agency, the DOE, through means of materially
8 false and fraudulent representations, omissions, pretenses and promises
9 concerning AMG's purported sales to the DOE prime contractors operating the
10 222S Laboratory.

11 13. It was part of the scheme and artifice to defraud that PAUL F.
12 KEMPF and ANITA M. GUST obtained money by making materially false and
13 fraudulent representations concerning AMG's purported sales of supplies to FH
14 and CHG, knowing that the funds would not be used in a manner consistent with
15 the representations and promises they made, but instead for personal indebtedness
16 and for personal gain.

17 14. In furtherance of the conspiracy and to effect the objects of the
18 conspiracy, the following overt acts, among others, were committed in the Eastern
19 District of Washington and elsewhere:

20 A. During the period beginning on or about September 1, 2000, and
21 continuing up through on or about September 30, 2005, using his
22 government funded P-card, PAUL F. KEMPF caused 155 fraudulent
23 transactions to be made with AMG and ANITA M. GUST totaling
24 approximately \$487,000.

25 B. During the period beginning on or about September 1, 2000, and
26 continuing up through on or about September 30, 2005, PAUL F.

1 KEMPF listed approximately 600 false AMG purchase descriptions
2 in FH's and later CHG's purchase card electronic system.

3 C. On or about September 8, 2003, when CHG replaced FH as the
4 prime contractor with DOE responsible for the 222S laboratory,
5 PAUL F. KEMPF submitted a request to his purchase card approving
6 official for a new purchase card in order continue the scheme with
7 ANITA M. GUST and AMG.

8 D. On or about March 15, 2005, PAUL F. KEMPF and ANITA M.
9 GUST caused a \$2,500 check (#2069) to be drawn on AMG's U.S.
10 Bank account to pay Pro Tech Auto Inc., for the restoration of PAUL
11 F. KEMPF's 1966 Nova automobile.

12 E. On or about March 25, 2005, PAUL F. KEMPF used his CHG
13 issued P-card to transfer \$4,030.70 from CHG's line of credit with the
14 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

15 F. On or about March 29, 2005, PAUL F. KEMPF and ANITA M.
16 GUST caused another \$2,500 check (#2075) to be drawn on AMG's
17 U.S. Bank account to pay Pro Tech Auto Inc., for the restoration of
18 PAUL F. KEMPF 's 1966 Nova automobile.

19 G. On or about April 5, 2005, PAUL F. KEMPF used his CHG
20 issued P-card to transfer \$4,998 from CHG's line of credit with the
21 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

22 H. On or about April 13, 2005, PAUL F. KEMPF and ANITA M.
23 GUST caused another \$2,500 check (#2080) to be drawn on AMG's
24 U.S. Bank account to pay Pro Tech Auto Inc., for the restoration of
25 PAUL F. KEMPF 's 1966 Nova automobile.

1 I. On or about April 22, 2005, PAUL F. KEMPF used his CHG
2 issued P-card to transfer \$4,530 from CHG's line of credit with the
3 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

4 J. On or about April 26, 2005, PAUL F. KEMPF and ANITA M.
5 GUST caused another \$2,500 check (#2087) to be drawn on AMG's
6 US Bank account to pay Pro Tech Auto Inc., for the restoration of
7 PAUL F. KEMPF 's 1966 Nova automobile.

8 K. On or about May 18, 2005, PAUL F. KEMPF used his CHG
9 issued P-card to transfer \$3,910.10 from CHG's line of credit with the
10 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

11 L. On or about May 31, 2005, PAUL F. KEMPF used his CHG
12 issued P-card to transfer \$3,789 from CHG's line of credit with the
13 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

14 M. On or about June 30, 2005, PAUL F. KEMPF used his CHG
15 issued P-card to transfer \$5,679.65 from CHG's line of credit with the
16 DOE to AMG's U.S. Bank account #X-XXX-XXXX-6305.

17 N. On or about September 20, 2005, PAUL F. KEMPF and ANITA
18 M. GUST, caused a \$2,899.53 check (#2145) to be drawn on AMG's
19 U.S. Bank account to pay Pro Tech Inc., for the restoration of PAUL
20 F. KEMPF's 1966 Nova automobile.

21 All in violation of Title 18 U.S.C. § 371.

22 COUNTS 2-7

23 18 U.S.C §§ 1343 and 2

24 Wire Fraud

25 15. Paragraphs 1 through 10 are incorporated into Counts 2 through 7 by
26 this reference.

27 INDICTMENT - 6

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16. On or about each of the dates referenced below, within the Eastern District of Washington, the Defendants, PAUL F. KEMPF and ANITA M. GUST, for the purpose of executing the aforesaid scheme and artifice to defraud and to obtain money by means of materially false and fraudulent representations, omissions, pretenses and promises, did transmit and cause to be transmitted, certain writings, signs, signals, and sounds in interstate commerce, as specified, by means of a wire communication, and did aid and abet the scheme and transmissions as follows:

COUNT	DATE	WIRE COMMUNICATION
2	6/30/2005	\$5,679.65 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305
3	5/31/2005	\$3,789 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305
4	5/18/2005	\$3,910.10 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305
5	4/22/2005	\$4,530 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305
6	4/5/2005	\$4,998 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305
7	3/25/2005	\$4,030.70 Credit card transaction from Paul Kempf's CHG issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-7137 to AMG's U.S. Bank account # X-XXX-XXXX-6305

INDICTMENT - 7

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1 All in violation of 18 U.S.C. §§ 1343 and 2.

2 Notice of Criminal Forfeiture

3 The allegations contained in Counts 1 through 7 of this Indictment are
4 hereby realleged and incorporated by reference for the purpose of alleging
5 forfeitures pursuant to 18 U.S.C. § 981(a)(2)(C) and 28 U.S.C. § 2461.

6 Upon conviction of the wire fraud and conspiracy to commit wire fraud
7 offenses, in violation of 18 U.S.C. §§ 371, 1343, and 2 alleged in Counts 1
8 through 7 of this Indictment, the Defendants, PAUL F. KEMPF and ANITA M.
9 GUST, shall forfeit to the United States of America, 18 U.S.C. § 981(a)(2)(C) and
10 28 U.S.C. § 2461, any property, real or personal, which constitutes or is derived
11 from proceeds traceable to such a violation. The property to be forfeited includes,
12 but is not limited to, the following:

13 i. MONEY JUDGMENT

14 A sum of money equal to \$487,000 in United States currency,
15 representing the amount of proceeds obtained as a result of the
16 wire fraud offenses.

17 ii. PERSONAL PROPERTY

18 1966 Chevrolet Nova with vehicle identification number
19 11837GR104374.

20 If any of the above-described forfeitable property, as a result of any act or
21 omission of the Defendant:

- 22 (1) cannot be located upon the exercise of due diligence;
23 (2) has been transferred or sold to, or deposited with, a third party;
24 (3) has been placed beyond the jurisdiction of the court;
25 (4) has been substantially diminished in value; or
26 (5) has been commingled with other property which cannot be divided
27 without difficulty;

1 the United States of America shall be entitled to forfeiture of substitute property
2 up to the value of the forfeitable property describe above, pursuant to 21 U.S.C.
3 § 853(p), as incorporated by 28 U.S.C. § 2461.

4 DATED this 23 day of March, 2010.

5 A TRUE BILL

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9 
10 James A. McDevitt
11 United States Attorney

12 
13 K. Jill Bolton
14 Assistant United States Attorney

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27 INDICTMENT - 9

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